



Investment Office

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AGENDA ITEM 6b

TO: MEMBERS OF THE INVESTMENT POLICY SUBCOMMITTEE

- I. SUBJECT:** Revision of Term "Shareholder" to "Shareowner"
- II. PROGRAM:** Total Fund
- III. RECOMMENDATION:** Approve changing the term "shareholder" to "shareowner" in all Investment Policies.
- IV. ANALYSIS:**

The purpose of this agenda item is to implement the direction of the Investment Committee to replace the term "shareholder" with the word "shareowner", throughout CalPERS investment policies.

CalPERS already uses the term "shareowner" in its Corporate Governance Program. The term is designed to reflect that CalPERS is an active owner, and not simply a passive holder of its investments. As a "shareowner", CalPERS takes seriously the responsibility that comes with ownership.

At the August 15, 2005 Investment Committee meeting, Mark Anson, Chief Investment Officer, reported that the CFA Centre for Financial Market Integrity accepted his suggestion to include the new term "shareowner" into its manual. The CFA's manual is used throughout the financial services industry. At this meeting, the Investment Committee Chair directed staff to review all investment policies and to bring an agenda item changing the wording to utilize "shareowner" throughout.

Staff reviewed all investment policies and found the term "shareholder" in the following:

- Alternative Investment Program
- International Equity Real Estate
- Opportunistic Real Estate
- Permissible Country
- Representation on Corporate Boards of Directors

Upon Subcommittee approval, and Investment Committee adoption, the term "shareholder" will be changed to "shareowner" in all existing policies and will be used in all future policies.

V. STRATEGIC PLAN:

This item supports Goal IV to assure that sufficient funds are available, first to pay benefits and, second to minimize and stabilize employer contributions.

VI. RESULTS/COSTS:

There are no costs associated with this item.

Greg Hood
Division Chief

Anne Stausboll
Assistant Executive Officer